



How your organization can benefit from outsourcing its training activities

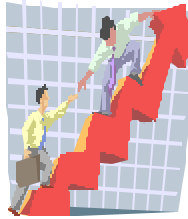
The Training Function in a growth economy

Outsourcing training to improve the productivity of your training department.

Training & learning are the tools that can create a long term competitive advantage for your business or organization. Try to think of it as R&D for your most critical resource –“*people*”. Training and learning are what differentiates the quality of your knowledge worker, which in turn differentiates your service or product in an increasingly competitive market place. Training and Learning can help organizations achieve breakthrough thinking, be compliant in an increasingly sophisticated regulatory environment. If done properly Training and Learning can enhance top line growth through higher productivity, lower costs by managing attrition. If done in an improper manner, it can do nothing to improve productivity, manage attrition and add no value to an organization.

Training & Learning are expensive functions, with outlays running into large amounts for many organizations; and in most organizations the metrics for measuring training effectiveness are incomplete if not absent altogether. Most organizations prefer to develop an in-house training function - this means many times hiring team members for a perceived or a current requirement and keeping the training team employed even when the training need is met or it lapses or the budgetary allocations to it need to be reduced. An ‘in-house’ training function also imposes “*softer*” costs due to continual up gradation of people and training content, license fees of software and training material and cost of trainer attrition.

How to create a “win-win” situation for your organization



Organizations now are using a unique approach to provide these functions internally by *Outsourcing their training departments*. This they have found is a way that reduces costs improves productivity and relieves them from the need of constant up gradation. Handing over your organizations training function over to “*experts*” in many ways also improves the quality of training. These *experts* have a lot of advantages; they are constantly upgrading themselves to differentiate themselves from the competition and add value to their clients, by virtue of the multiple clients they serve - they have an upfront feel of the best industry practices; training costs can be tracked more objectively and can help align your trainings with your strategic objectives in a far better manner.

Does your organization need to “outsource” it’s training

No two organizations are alike ! Then how do you decide if what works for your supplier, competitor or client will also work for you? Even though there is no way to answer this question with a simple yes or a no, there are some trends that you should watch out for. And if you can spot these in your organization, then perhaps you should consider outsourcing:



- An increasing budgetary outlay to training & learning and the need to establish its value to stakeholders. In the absence of clear tracking of costs and metrics to determine effectiveness of training – there is no way to determine if you are getting the “*best bang for your buck*”.

With increase in budgetary outlays the importance of determining spending effectiveness increases. With an *expert* coming in the costs are easily tracked and ROI can be objectively measured and ineffective service providers can be weeded out easily



- An ever-widening plethora of training services making it difficult to choose the “right” training for your organization. With almost every successful book author or a retiring CEO becoming a trainer or a public speaker – not to mention a new management theory or “fad” every week; it is easy to get swept away and take on a training without judging its fitment to your organization. An *expert* not only executes your training function for you, but is also in a better position to advise you on the merits and de-merits of a training program keeping in mind your organizational interests.



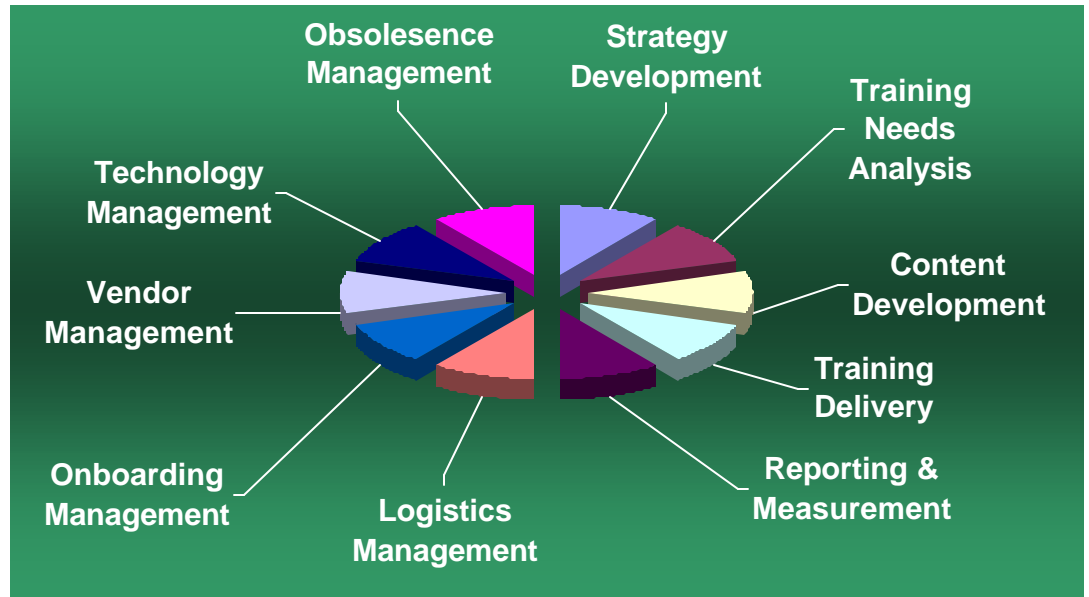
- High attrition rate and employee dissatisfaction in the training function. A trainer is by nature a very creative person and likes a variety of experiences that come from diverse audiences, situations and programs. An in-house trainer often attrites due to *creative stagnation*-doing the same program in similar settings over and over again or handling the administrative tasks of training like vendor management etc. Many training departments are also fairly small and flat providing limited career growth. An *expert* is able to attract the best talent as they provide diversity of experiences, and a more robust career growth than in an ‘in-house’ training function.



- An erratic and client driven high growth in early-stage organizations. Most organizations, especially in the growth phase tend to be very lean and grow only by adding more clients. In such a scenario it is not possible to maintain adequate bench strength-as a new client or project might just mean staffing up by as much as one third your current strength in three months or less. In such businesses the lower the capital outlays and idle expenditure the better are the returns for the stakeholder. It is far more advisable to rent out the services of an *expert* rather than create an ‘in house’ training team and incur idle costs while you wait for clients to roll in.

Options in outsourcing training

Depending on your organizational requirements, you can decide to completely outsource or choose from a bouquet of services that many training organizations offer:



Your Organization can choose to outsource all tasks or selectively outsource some of them.

Your Organization can choose from this bouquet of activities to outsource one or more activities to one or more training partners. A scenario where you choose to outsource training delivery, content development and on boarding management to a vendor, while retaining control on the other activities.



Benefits of outsourcing training

The benefits of Outsourcing training in your organization can accrue in a variety of ways. For many organizations outsourcing the training function is not only the key to meeting the objective of organizational learning and training, but also to overcome the administrative and structural barriers with in-house training. In Outsourcing, it is the onus of the vendor to provide training material, invest in infrastructure, maintain and upgrade technology & content, reduce costs and improve processes.

Lower training costs: It is estimated that on an average companies can save up to 20% per trained employee by outsourcing training. For a 1000 employee location with an average training spend of Rs5000 per employee and an attrition rate of 20%. The training cost is projected at Rs 6 million annually. Outsourcing training per 1000 employee location, you could save up to Rs 1.2 million annually. Across a 3000-employee location and at current rates of outsourcing the savings could go up to Rs 4 million annually. These savings accrue from lower capital expenditure, lower idle time per employee, process improvement and higher employee productivity. This comes about due to a higher level of & more consistent training across the organization.

Organizational Effort is focused on core competencies: Administrative tasks follow the 80-20 rule for your training department; they take up almost 80% of your training teams time but impact their productivity to the organization by only 20%. In many cases, a disproportionately large focus on these activities also becomes a cause of attrition of your key training talent. Outsourcing the non-key activities for your training department helps it to focus on performance related training and coaching for your key talent when it is needed. Few, if any training teams have the time, resources or energy to focus on this “*classroom of one*”.



Eliminating redundancies from legacy systems: As Organizations grow, merge, spin-off they tend to become decentralized, disaggregated and fragmented. While key functions get their due during the process of Organizational Evolution, more often than not, functions like training & administration end up being burdened by inefficient legacy practices and systems. Training Programs, Infrastructure and positions get duplicated many times over. This is costly and inefficient and results in inconsistent levels of serving, works against sharing of services and stalls the implementation of a consistent strategic vision for learning. It is more efficient to have centralization via a proxy like a training partner.

Training Content @ the speed of thought: As Businesses, your clients and especially your competition move at the “*speed of Thought*” How can your organization, your employees and their skills & learning not move at the same pace. Training departments need now more than ever to keep abreast of the latest regulatory environment, technical skills and competencies that your organization needs to operate in now, and

in the future. Outsourcing to training *experts* not only helps you operate in the “now” environment but also lets you operate in a predictive manner in the training space. *Experts* keep up to speed on the latest in their operational domain, much like you and many times are at the cutting edge of research. Not to mention the eagles’ eye view they have of the marketplace and a frontline experience across your and other industry verticals.

Getting Started



The decision to outsource is determined by a number of factors unique to your company, your stakeholders, your business environment and your product and service offerings. Some Organizations may outsource only training delivery while some may outsource only content creation. The service could be one or a combination of many and the training partners could be one or many per function per business unit. It is best to select and constantly evolve to a model that fits your organization.

Training is critical in today’s growth economy and its impact on productivity , attrition, top line and bottom line is well known. However, with the possibility of outsourcing it, it need not be seen as function that isn’t strategic with immeasurable costs and objectives. Realizing the benefits of a well designed, targeted and measurable training function is now easier than ever. We at Chetna Consultancy Services can both enhance and leverage the value of learning and enable *“Business Progression Through People Development”*

About Us

Chetna Consultancy Services is an India based consulting organization with a knowledge center in New Delhi providing Corporate and Institutional Services training.

We offer a bouquet of services for company, market and industry; Training Need Analysis; Development of Training Strategy; Training Content Creation; Enhancing Training Content; Training Delivery; Training Reporting and Management and Assessment services.

Our customized work consists of project based assignments and turn-key solutions in the areas of: Client Culture Sensitization: Valuing Diversity; Communication Skills: Verbal Skills – Voice and Accent; Using Neuro Linguist Programming; Effective functioning in a professional work environment; Neuro-Linguistics in the work place; Leadership Essentials; Team Building Skills; Customer Relationship Management; Train the Trainer; Counseling and Feedback skills; Interviewing Skills



Business Progression Through People Development

An ISO 9001:2000 certified organization

For more information write to us at:

devyani@chetna.co.in, rohit@chetna.co.in

Visit us at: www.chetnacs.com

A-39, Naraina Industrial Area, Phase II
New Delhi 110028

Contact us: 011-4141-7675, 011-4100-0521

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